

# Weigh Your Options

## Decision-Making

### Objectives

- A** Explain the importance of decision-making.
- B** Discuss what influences how decisions are made.
- C** Demonstrate the process of making a decision.



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You might not think about it, but you make a ton of tiny decisions every day.

Should you put on a green shirt or a purple shirt in the morning? Eat cereal or eggs for breakfast? Do homework or watch TV after school? Go to the movies or out for pizza this weekend?

Of course, some of your decisions are more life-changing than picking which cereal to eat for breakfast. Scheduling your classes for next year, choosing a college to attend, or deciding on a career to pursue are all major decisions that will have a big impact on your future. And don't forget about all the decisions you make at work. Making decisions about supplies or the details of sales agreements, for example, can influence not only you, but your boss, your coworkers, and the entire company.

So how can you make the best decisions possible? Read on to learn the nine steps of successful decision-making and how you can apply them to your life at home, school, and work.



## Decisions, Decisions!

You arrive to school after making several **decisions**—whether to go to the gym, what to wear, whether you want coffee or an energy drink, and even which route to school is quickest. Now that you've arrived, it seems like you have a million more things to decide, and you're not sure what to tackle first. "Should I review my notes for my history test, work on my senior class project, or read the assigned chapters for English class?" Which option you choose depends on what you want to accomplish, what you prefer to do, and how much time you have available. In this case, you might choose the assignment that has the most potential to improve your grade, the one you are most interested in, or the one that is due first.

*Decision-making skills can help you manage your assignments and projects. ►*



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Decision-making requires time and thought, and making frequent decisions can lead to decision fatigue. This is why successful people like Steve Jobs and former U.S. President Barack Obama avoided some routine decisions by developing simple wardrobes. Jobs was known for his black turtlenecks and jeans, while Obama wore grey or black suits during his presidency. Automating simple decisions like what to wear saves time and energy for bigger ones. For more insight, view the University of Maryland's Smith Business School video "Fighting Decision Fatigue" at <https://www.youtube.com/watch?v=NFsVqFF0gTc>.

Photo by Tom Coates. <https://www.flickr.com/photos/plasticbag/2197006110>



But choosing isn't always easy. Sometimes, such as in this case, you have several options—each one may be just as important as the others. What if the following things also happen on the same day?

- Your best friend asks you to listen to a speech she has prepared.
- You discover that there is likely to be a pop quiz in Algebra class.
- You hear that there are free donuts and juice in the cafeteria.

With equally tempting alternatives, how will you choose your activity? If you truly want to do all three—but only have time for one—you'll need to put some *thought* into making your selection. You'll need to apply the skill of decision-making.

## What Is Decision-Making?

Decision-making might seem tough sometimes, but it doesn't require a degree in rocket science. Almost anyone can learn how to make a decision with the right information and some practice.

But what exactly is decision-making?

When you have two or more possible options, you make a decision by selecting just *one*. The reason you choose the option you do is to accomplish a purpose—to *do* what you've chosen. **Decision-making**, then, is *choosing among alternatives* so that you can take action toward an objective.

There are different types of decisions. You can make **routine decisions**—the ones you hardly have to think about, such as whether or not you should wear a clean T-shirt. (Of course, you should!) You can make **limited decisions**—the ones that require a little time to look at each alternative, such as whether or not you should sign up for the drama club or flag football. (That depends.) And, you can make **extensive decisions**—the ones that demand a lot of careful consideration, such as what career you would like to begin to prepare for. (Not a snap decision.) So, the extent of decision-making varies based on what you need to accomplish. It can be used to do normal, everyday things; pinpoint a preferred alternative; or put a complex plan into motion.

*We all make many decisions each day—some ►  
are simple and some are more complex.*



But, take note: Decision-making is *different* from **problem solving**. Many people think they're the same, but look at the distinction between "decision" and "problem":

While a decision is a *selection* that fits your objective, a problem is an undesirable *situation* you want to change for the better.

This means that choosing to look for a new job because you want to earn more money is a decision. However, if you don't know how to write a résumé, you have a problem you need to solve first.

## THE GRAY ZONE

Decision-making can be challenging, but it's especially tough when you're in a time crunch. If you need to decide something quickly, you might go with what your gut tells you to do—whether it's right or wrong.

Take Kaylee, for example. She is a crew manager for a small coffee shop that promotes itself as environmentally conscious by promising to recycle 100% of the paper cups used and thrown away at the shop. While preparing the shop for a health inspection, Kaylee discovers several large trash bags full of dirty cups in the storeroom. There is no room in the recycling bins for the cups, and leaving them bagged on-site is a health violation. Kaylee thinks the simplest solution is throwing the cups into the trash. However, trashing the cups goes against the shop's promise to recycle. What do you think Kaylee should do?



Now, look at the relationship between “decision-making” and “problem solving”:

Although you certainly *use* decision-making to solve a problem, you don’t *have* to have a problem to make a decision.

This means that you can decide to take a class or view an online tutorial on writing résumés—to change your undesirable situation into a desirable one. But, you can also make decisions for *other* reasons, not just to solve problems. For example, you might decide to look for a new job for several personal reasons: more income, more flexibility, more job satisfaction, or to gain skills. Your reason for seeking a new job will determine how and where you look for a job. A smaller decision, like what to have for lunch, isn’t a problem at all—but you still need to make a decision. Will it be a salad or Chinese takeout?

Overall, decision-making is a useful tool for achieving **objectives**—because it points you in the direction you want to go.

*The desire for a flexible work schedule may influence a person to decide on a restaurant position. ►*



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## It's Your Choice

So, what are your objectives? When, where, and why do you make the choices you do?

Suppose you arrive at work planning to manage all your unread email and organize your calendar. But before you can get started, your boss tells you about some big changes on a project. So, you choose to adjust your activity schedule before you begin your day. Your decision supports your objective of "putting the project first."

When you begin working on the project, you decide to use the appropriate resources, consult the proper authorities, and follow the predetermined guidelines. Here, each decision supports your objective of "completing the project successfully."



At the end of the day, after you've put your project first and completed it successfully, you decide to go back to your email and calendar that you put aside this morning. This decision supports your objective of "catching up on procrastinated tasks."

So you see that, in everyday business situations, you use decision-making to accomplish everyday business purposes. Consider how you might use decision-making to perform the following activities:

- Implementing a business idea
- Putting together a presentation
- Training an employee



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## Summary

Decision-making, or choosing among alternatives, helps you take action toward an objective. Decisions can be routine, limited, or extensive. Although decision-making is useful for problem solving, decision-making and problem solving are not the same. In everyday situations, you use decision-making to accomplish your everyday purposes.

### TOTAL RECALL

1. What is decision-making?
2. Describe the three different types of decisions.
3. How is decision-making different from problem solving?
4. Why do you use decision-making in everyday business situations?





# Undercover Agents

With decision-making, you choose one alternative—in order to move toward an objective. But what makes you *want* to choose the option you do? In other words, what factors affect your decision?

## It's an Inside Job

Whether you realize it or not, your decisions are influenced by “undercover” internal factors, such as:

- Experience—Have you encountered this option before?
- Emotion—Do you feel strongly about it?
- Insight or intuition—Do you have a gut feeling that one alternative is better (or worse) than the other?
- Commitment to an outcome—Are you set on a particular result?
- Comfort with risk—What's your risk comfort level?



With every decision, you naturally see the alternatives from your own point of view.

*It's important to consider the impact of your internal thoughts and feelings when making a decision. ►*

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Imagine you want to buy a new computer from a local retailer. Consider how your answers to the following questions would reveal your point of view—and affect your choice:

- Have you purchased a computer made by the same manufacturer in the past?
- Do you like the design of the computer?
- Do you have a gut feeling the computer will operate for a long time?
- Are you willing to wait for your preferred choice to become available, or are you likely to purchase from a competitor in the meantime?
- Is the computer capable of performing the functions that you need and prefer?

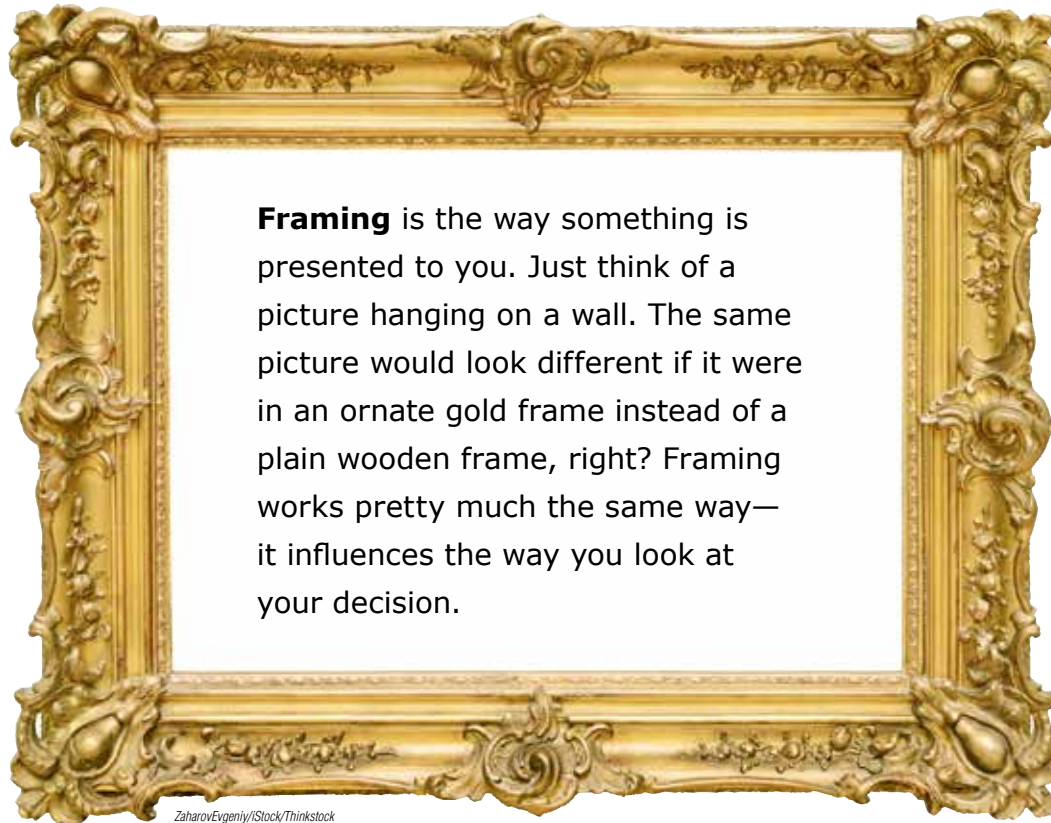
Making a large purchase requires you to ►  
evaluate the quality of information as well as  
any factors that are influencing your choice.

## Keep an Eye Out

Your decision is affected by more than just internal factors, however. Other “undercover” influences—influences you can’t control—play a role, too. External factors such as framing and logic also exist, although they often remain unnoticed.



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**Framing** is the way something is presented to you. Just think of a picture hanging on a wall. The same picture would look different if it were in an ornate gold frame instead of a plain wooden frame, right? Framing works pretty much the same way—it influences the way you look at your decision.

For example, if you're in the process of selecting a catering service for a party and you want to find out about a particular caterer, you might ask an event planner who has used the same caterer for a previous banquet. Whatever the event planner tells you—whether positive or negative—will shape (or frame) your thoughts about that caterer. So, your decision is influenced by the event planner's point of view.

**Logic**, on the other hand, helps you make sense of the facts. It involves comparing and contrasting information, apart from personal involvement or emotion. It's looking at the alternatives from a neutral point of view—instead of from your own (or someone else's) perspective. If you use logic to choose a caterer, your decision is influenced by pieces of information such as price or quality—and it's up to you to determine which items are more important to the success of your event than the others.

Unfortunately, you can't control how information is presented to you—or how the facts measure up. But you can be aware of the "undercover" presence of framing and logic, and you can acknowledge (or even welcome) their ability to influence your decision. Learn more about the effects of framing and bias in the Practical Psychology video "12 Cognitive Biases Explained—How to Think Better and More Logically Removing Bias" at [https://www.youtube.com/watch?v=wEwGBIr\\_RIw](https://www.youtube.com/watch?v=wEwGBIr_RIw).



## Who's Involved?

Not only do “undercover” influences affect how you make decisions, but so do the styles of decision-making—by involving (or not involving) others in the process. In the following **decision-making styles**, notice how much help the decision maker seeks:

- **Minimum input:**

The decision maker decides without help.

*If you're in charge of planning the company's picnic, you don't have to ask for help in deciding whom to invite. It's a no-brainer: You invite the employees!*

- **Moderate input:**

The decision maker asks for some help before deciding.

*When it comes to deciding where to hold the picnic, it might be helpful to ask the employee planning committee for suggestions.*

- **Maximum input:**

The decision maker and the entire group decide together.

*Since you're having a potluck meal, you'll need input from the entire group to coordinate who's bringing what.*

Whatever your style preference, the key is to use each style when it is called for—to apply the appropriate style to the situation at hand.

*When a decision will impact many, maximum input should be sought to consider all views, factors, and possible consequences. ►*



How do you apply the right style? You need to ask and answer some important questions.

- Will the decision affect others?

*Find out who is influenced by your decision.*

- Will the affected parties want (or need) to have a say in the decision?



*Include those who should have a part in the decision-making process.*

- Am I the only one who has the information necessary to make the decision?

*Include only those who have enough information to make the decision.*

The bottom line is: If it's clearly appropriate to include others in making a decision, do so. Including all of the necessary parties should result in a positive outcome—and help direct you toward your objective. But if the opinions of others aren't needed, it is a waste of your time—and theirs—to consider other people's ideas and opinions, as shown in the QuestionPro video "Making Decisions Shouldn't Be This Hard—To the Boardroom!" at <https://www.youtube.com/watch?v=2zuPAjBe9tg>.

## Summary

A decision is affected by internal and external influences—and by the decision-making style you apply. It's important to be aware of what affects *how* you make a decision. And it's important to involve the people who should be included in the decision-making process.

## TOTAL RECALL

1. Describe the internal factors that affect decision-making.
2. Describe the external factors that affect decision-making.
3. Describe the decision-making styles.
4. How can you apply the appropriate decision-making style?

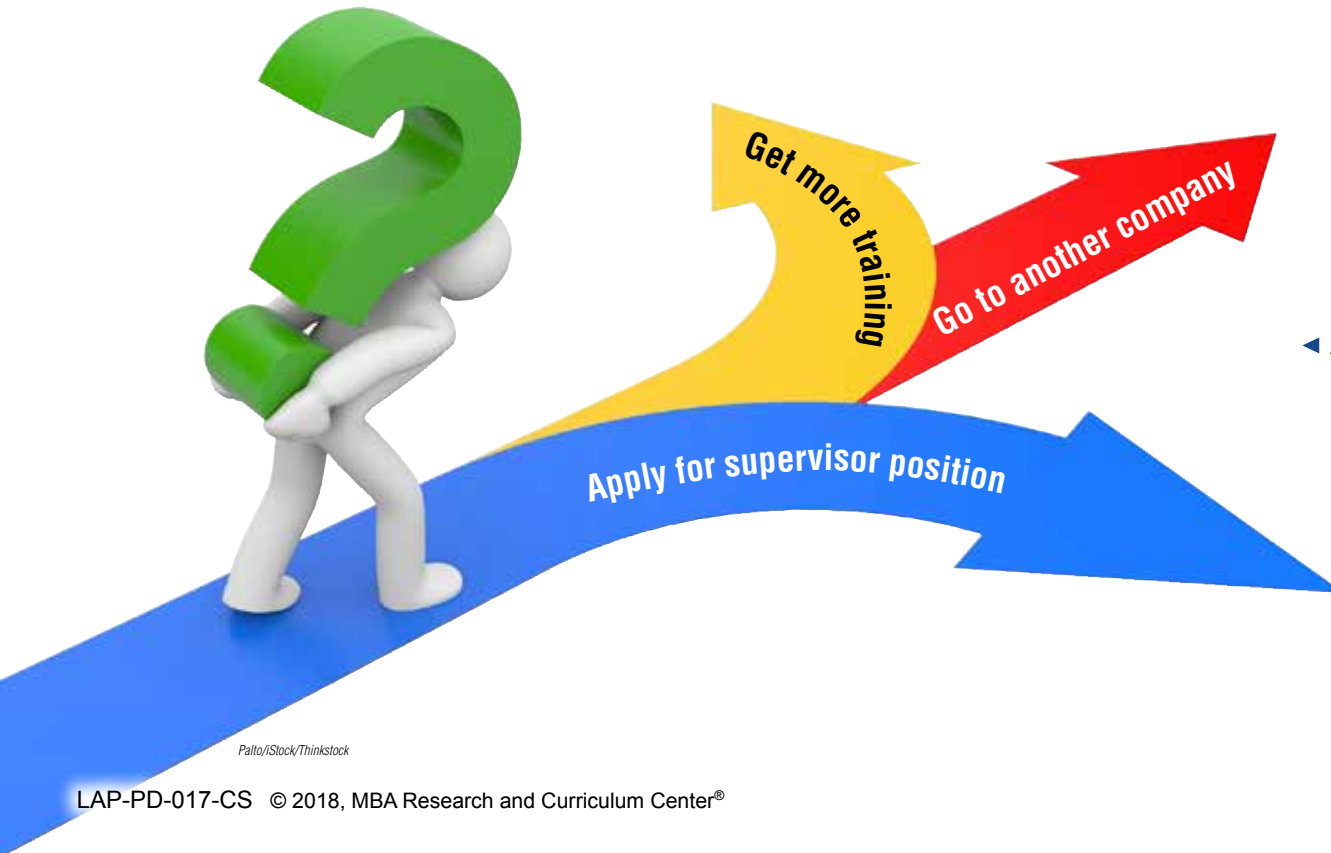


# Decision-Making Is a Process

You've probably heard the phrase "hindsight is 20/20." It's definitely true when it comes to decision-making—everyone can tell whether a decision was good or bad after the fact! But how can you figure out *beforehand* which alternative is the best choice? The good news is you don't need psychic powers to set yourself up for success. You just need an organized way of making your decision—also known as a **decision-making model**.

## Choose Successfully

A decision-making model doesn't necessarily tell you what to do—instead, it guides your thinking. It walks you through common-sense steps for choosing the alternative that is *most likely* to work. The following model includes nine steps that can be used to make almost any decision, including decisions that you encounter at work as well as in your personal life.



◀ A decision-making process helps evaluate the different alternatives available and the impact they will have.

Imagine you work for a business with a tech-savvy reputation, but your company logo hasn't changed since the age of typewriters. It's time to bring it up to date! To achieve your goal of a new and effective logo, you use the nine-step decision-making model to find a designer to create a distinctive logo that will become your company's new face.

**1 Pinpoint your objective.** Before you start looking at logos, you identify what you want the logo to accomplish. You determine that you desire a logo that fits your company's reputation. You want a logo that:

- Draws attention
- Has a modern artistic style
- "Feels" technological
- Clearly identifies the company

And, of course, you want this logo to be unique, easy to publish, and priced affordably. This means you need to contract with a graphic designer who can do *exactly* what you specify.



*People with experience can help you ►  
acquire the information and strategies  
you will need to make a good decision.*



AntonioGuillem/iStock/Thinkstock

**2 Determine what you need to know.** When you are making a decision about something you haven't dealt with before, it's important to determine what knowledge you will need to possess in order to make a successful decision. You can conduct your own initial research to learn the factors or methods involved in making your decision, or you can consult an expert.

To choose a graphic designer, you might ask a marketing consultant to share his/her preferred process for selecting a graphic designer. By explaining how the selection process for a graphic designer typically works, as well as identifying what skills or experience the graphic designer should possess, the consultant is teaching you what information you will need to make an informed decision.

Fortunately for you, there are several marketing consultants in your city. If you didn't have these consultants to help you, you would have to conduct your own research by directly asking companies about their logo designers—and about what qualifications those designers had that led to successful logo designs.

After talking with the marketing consultant, you feel pretty confident that you understand what information you need to gather about different graphic designers. Now you can proceed to gathering that information.

*The web is a great primary resource that can lead you to more specific sources of information.*



- 3 Gather the information you need.** To begin, you run some searches on various websites. You try searching your city's Yellow Pages online or even through Google. Either way, you come up with a long list of design firms that may or may not fit your objective. You aren't ready to select one just yet—first, you have to find out a little more about them. You check out their websites and look at samples of their work. Does any design firm's style fit what you want for your logo? You call or email the designers you really like to learn more about their pricing, schedules, etc. When you're done, you have a shorter list of designers that might work, and you're much closer to making a successful decision.
- 4 Select an appropriate decision-making style.** At this point, you begin to think you shouldn't go it alone. Other people in your company might want to offer advice, so you consider the decision-making style you'll use. You settle on the moderate input style because you want *some* input from the other employees, but you want to make the final decision. After all, the logo project is *yours*.



**5 Establish decision criteria.** Once you've done your research—and received input from a few others—there's one more thing you need to do. Before you look at specific graphic-design contracts, you need to know what will *make or break* the decision for you.

You need to decide which qualities or situations are most desired and which are unacceptable—in other words, deal breakers. If you need your design done right away, a talented designer who is booked solid for the next two months isn't going to meet your need for speedy completion—that's a deal breaker. You also might want to consider the technology the designers use. Which ones can provide print, web, and social media specific images? Does it matter to you what design services they provide? And, what if you have a friend who does graphic design? Will you be more inclined to use someone you know? Do you have the funds needed to pay for the work you desire, or do you need to limit the scope of the project to stay within your budget?

Establishing your **decision criteria** will provide *boundaries* for making your choice. They will help you determine whether a particular designer will help achieve your objective—your goal. These boundaries will be useful when you reach the “emotional” decision-making moment—when you're introduced to a designer you really like. If you know exactly what you can and can't accept, you'll be less likely to choose an option impulsively.

**6 Identify alternatives.** With research, input, and boundaries, you're ready to put together a list of potential graphic designers to use. But this list isn't new to you. You've actually been compiling it along the way—adding and removing individual designers as needed. Your alternatives are now fewer, but your information about each is much more specific. With this list, you're ready to weigh the **pros** and **cons** of each alternative.

scytherr5/Stock/Thinkstock



▲ *Making yourself aware of the specific qualities and technologies needed for a project will help you make a good decision.*



**7 Weigh the pros and cons.** As you consider the designers on your list, you begin to measure each designer's assets against your standard: your objective. Does the designer measure up? You ask yourself if the designer is able—and willing—to do what you need. A checklist can help you keep a visual record of each designer's specific abilities and drawbacks.

In addition, you compare and contrast each sample logo from the designers. You ask, "How might *this* logo be better or worse than another?" At this point, you seriously consider what you might gain or lose by choosing one graphic designer over another. You identify the risks involved. You consider every piece of information you can—including the cost difference and whether you like each one's sample designs.

Whether you realize it or not, you mentally rank the graphic designers according to their pros and cons—by their positive and negative characteristics. By this method, a graphic designer is "valuable" to you when the pros outweigh the cons—and *especially* if the pros outweigh those of another designer. As you eliminate designers who don't appeal to you as much as the others, your selection draws near.

If the decision involves many factors, a decision table or matrix can help make your final choice. Since some criteria may carry more weight than others, you may want to assign appropriate numerical values or weights to each pro and con so you can calculate the best choice. For an example, download Savvy Spreadsheets' "Quick Decision Maker" at <https://www.savvyspreadsheets.com/excel-templates/quick-decision-maker/>.

*Weighing pros and cons helps ►  
evaluate the potential success or  
failure of each choice available.*





▲ *Using a decision-making process should give you confidence that you have made a good choice.*

**8 Make the decision.** You're down to the final two designers, and you make your decision—because the positive characteristics of one designer outweigh the positive characteristics of the other. (And, the negatives aren't more than you can handle, either.)

So, you've done it. You've decided. Now, you can update your logo!

**9 Evaluate the decision's success.** Did you make the right decision? Time will tell. If the logo your designer creates matches your objective over time, you've made a good decision. If the outcome isn't good, be sure to reflect on your decision-making process and learn from your mistakes. But whether your decision is successful or not, you took a risk based on an organized way of making a decision. You used a decision-making model—and you know you did your *best* to find a designer to suit your needs.

## Summary

To judge beforehand how successful a decision might be, you use an organized way of making decisions—or a decision-making model. You should pinpoint your objective, determine what you need to know, gather the information you need, select an appropriate decision-making style, establish decision criteria, identify alternatives, weigh the pros and cons, make the decision, and then evaluate the decision's success.

## TOTAL RECALL

1. What is a decision-making model?
2. What are the nine steps of the decision-making model?
3. How do the nine steps of the decision-making model help you make a decision?